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DEPARTMENT FOR AF/W (SILSKI) AND AF/EPS (POTASH)
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SUBJECT: NIGERIA - 2007 PRESIDENT'S REPORT ON AGOA

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11. In response to reftel, this cable contains Nigeria's submission for the 2007 President's Report on AGOA.

Market Economy/Economic Reform/Elimination of Trade Barriers

12. The Nigerian government (GON) is working towards reducing the size of the government and increasing the private sector in the economy. The GON has shown its commitment to privatizing state enterprises in 2006, by privatizing Nigeria Telecommunications Ltd (Nitel), and its mobile subsidiary, Nigerian Mobile Telecommunications Ltd (Mtel), and the only government-owned petrochemical company. The GON also sold its interest in eight oil service companies. Nigeria continued implementation of the ECOWAS Common External Tariff in 2006. Nigeria's implementation of non-tariff barriers has been arbitrary and uneven and it continues to violate WTO prohibitions against trade bans. However, the GON removed some textiles from its list of prohibited imports in 2006. Other barriers to trade are long delays in port clearances and sudden changes in product standards and methods of customs inspections. Enforcement of criminal penalties against IPR violations is weak, and firms that are successfully countering IPR piracy generally have had to do so through civil court cases. An amendment to the copyright and trademarks legislation that would create an intellectual property commission is expected to be submitted by the executive to the legislature for its consideration before the end of the first quarter of 2007.

Political Pluralism/Rule of Law/Anti-Corruption

13. General elections are scheduled for April 2007. The elections with more than 35 political parties scheduled to participate, would usher in a new government and mark an end to President Obasanjo's eight year tenure. Civil and criminal cases move slowly through Nigeria's courts. The country's judicial system lacks the resources to function effectively. In response to public demand, Shari'a (Islamic law) was established in 12 of Nigeria's northern states. The GON has taken steps to tackle corruption, such as establishing two anti-corruption commissions and announcing measures to improve fiscal responsibility in federal budgeting and procurement. There have been allegations of selective enforcement of anti-corruption laws for political purposes. Since the inception of these bodies, the government has won one conviction against a senior government official, obtaining a mild sentence. There are corruption cases involving senior GON officials and state governors pending before

various courts in the country. In July 2006, Nigeria was removed from the Financial Action Task Force list of Non-Cooperative Countries and Territories.

Poverty Reduction

14. The GON's economic reform program, the National Economic Empowerment and Development Strategy (NEEDS) is due for review in 2007. In 2006, Nigeria began a Policy Support Instrument (PSI) with the IMF. The PSI is a new approach to economic monitoring by the IMF, and it is based on the country's ownership of its reform program. Nigeria's NEEDS has had successful quarterly reviews by the IMF.

Labor/Child Labor

15. The constitution recognizes the right of workers to join or form trade unions. Restrictions on that right remain, despite the repeal of some of the anti-labor decrees from the military era. A 2005 amendment to the labor law further limited the conditions under which unions may undertake legal strikes. Workers in Export Processing Zones may not join a union until 10 years after the anniversary date of the enterprise establishment. Less than ten percent of the total workforce is organized. Minimum wages, the length of the workday or workweek, and general health and safety provisions are statutorily mandated, but enforcement remains weak

16. Nigeria has ratified all eight of the International Labor Organization (ILO) core conventions including Convention 138 on minimum age and 182 on the worst forms of child labor. Nigeria ratified the Convention on the Rights of the Child on April 16, 1991, and the convention was adopted as a domestic law in September 2003, but very few states have passed the Child Rights Act into law so far. Nigerian law forbids forced or bonded labor and restricts

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the employment of children younger than 15 to home-based agricultural or domestic work for no more than eight hours per day; nonetheless, child labor remains a problem. The ILO is working with the Nigerian government and civil society as part of the ILO's International Program on the Elimination of Child Labor. The Nigerian government launched awareness and law-familiarization training programs for law enforcement, customs and other officials and has provided additional training in child labor issues for labor inspection officers. Nigeria is participating in the West African Cocoa Agriculture Project to eliminate the worst forms of child labor from the cocoa sector. Private and government initiatives to stem the incidence of child employment continued but were largely ineffective. Investigations of child trafficking are hampered by official corruption.

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